

# MARKET SUMMARY

Complete Recap of Today's Market Activity

## Back to Regularly Scheduled Programming (Unfortunately)

Market Summary: Wednesday, November 13, 2024 - 1:45AM

Bonds sold off on Tuesday both during the domestic session and in the overnight hours leading up to it. Motivations are a matter of conjecture as there is not a conveniently obvious scapegoat. That hasn't stopped journalists, analysts, and traders from chiming in. The resulting laundry list mostly includes political considerations ranging from specific revelations regarding cabinet appointees to generalizations about the market continuing to process fiscal implications. We'd certainly add a high likelihood of **positional** considerations with last Thu/Fri now looking very much like an opportunity to cover shorts (makes yields move lower) and get neutral ahead of the 3-day weekend before getting yields back in line with post-election highs today.

### Latest Video Analysis



Back to Regularly Scheduled Programming (Unfortunately)



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UMBS 5.5 98.87 +0.02 | 10YR 4.436% +0.012% 11/13/2024 1:44AM EST

### New Lows for MBS, New Highs for Treasury Yields

Bonds have been selling off in fits and starts after an initial recovery at the NYSE open. That lasted all of 30 minutes and the selling has been linear since then.

MBS are down 14 ticks (.44) on the day and just over an eighth of a point from the AM highs. The jumpiest lenders could be considering a negative reprice, but most would be waiting to see 2-3 ticks (.06-.09) of additional weakness.

10yr yields are up 10.7bps at 4.413.

**MBS MORNING:** Two Ways to Look At This Morning's Sell-Off

**ALERT:** New Lows of The Day For MBS

## Today's Mortgage Rates

30YR Fixed 7.02% +0.10% | 15YR Fixed 6.39% +0.02% 11/12/2024

### Mortgage Rates Jump Back Above 7%

Last Thursday and Friday offered some hope that the persistent move to higher rates was finally leveling off. It wasn't necessarily a rational hope, but if nothing else, it was "nice" to see the average 30yr fixed move back below 7%. Even then, we cautioned against viewing the recovery as indicative of ongoing success. Now today, we see why.

Bonds (which dictate rates) have moved swiftly back into the weaker territory that precipitated the move over 7% in . As such, it's no surprise to see the average lender easily back into the 7s. For context, rates were as high as 7.5% in April and 8.0% at their long-term peak roughly a year ago.

As for motivations, the market continues to work through election-related volatility. That involves a complex set of considerations. Some of them have to do with actual expectations for changes in fiscal policy in the coming years. Some of the considerations are as simple as traders going through the process of exiting (and re-setting) trading positions heading into the election.

Motivations aside, it continues to be the case that would need to see significant weakness in economic data and a stronger move toward lower inflation in order for any real progress. Tomorrow morning brings the first of the week's big data points in the form of the Consumer Price Index (CPI)--an inflation report with a solid track record of inspiring reactions in rates.

Time	Event	Actual	Forecast	Prior
<b>Wednesday, Nov 13</b>				
12:00AM	Roll Date - UMBS 30YR			
7:00AM	Nov/08 Mortgage Market Index			191.4
7:00AM	Nov/08 MBA Mortgage Applications			-10.8%
7:00AM	Nov/08 MBA 30-yr mortgage rate (%)			6.81%
7:00AM	Nov/08 MBA Purchase Index			130.8
7:00AM	Nov/08 MBA Refi Index			513.5
8:30AM	Oct CPI index, nsa		315.59	315.30
8:30AM	Oct Core CPI index, sa			314.686
8:30AM	Oct m/m Headline CPI (%) ★		0.2%	0.2%
8:30AM	Oct y/y Headline CPI (%) ☆		2.6%	2.4%
8:30AM	Oct y/y CORE CPI (%) ★★		3.3%	3.3%
8:30AM	Oct m/m CORE CPI (%) ★★		0.3%	0.3%
9:45AM	Fed Logan Speech ☆			
11:00AM	Q3 Total Household Debt			\$17.8T
11:30AM	17-Week Bill Auction (%)			4.410%
1:00PM	Fed Musalem Speech ☆			
1:30PM	Fed Schmid Speech ☆			
2:00PM	Oct Federal budget, \$ (bl)		\$-211B	\$64B
4:30PM	Nov/08 API weekly crude stocks (ml)			3.132M
<b>Thursday, Nov 14</b>				
7:00AM	Fed Kugler Speech ☆			
8:30AM	Oct PPI Ex Food, Energy and Trade MoM			0.1%
8:30AM	Oct Core Producer Prices YY (%) ★		3%	2.8%
8:30AM	Nov/09 Jobless claims 4-wk avg (k)			227.25K
8:30AM	Nov/09 Jobless Claims (k) ★		223K	221K
8:30AM	Nov/02 Continued Claims (ml)		1880K	1892K
8:30AM	Oct PPI Ex Food, Energy and Trade YoY			3.2%
8:30AM	Oct Core Producer Prices MM (%) ★		0.3%	0.2%
8:30AM	Oct PPI YoY		2.3%	1.8%
8:30AM	Oct Producer Prices (%)		0.2%	0%
8:30AM	Oct PPI			145.173
9:15AM	Fed Barkin Speech ☆			
10:30AM	Nov/08 Nat gas-EIA, change bcf			69Bcf
11:00AM	Nov/08 EIA Distillate Fuel Production Change			0.233M
11:00AM	Nov/08 EIA Cushing Crude Oil Stocks Change			0.522M

Time	Event	Actual	Forecast	Prior
11:00AM	Nov/08 EIA Crude Oil Imports Change			1.676M
11:00AM	Nov/08 EIA Distillate Stocks Change			2.947M
11:00AM	Nov/08 EIA Refinery Crude Runs Change			0.281M
11:00AM	Nov/08 EIA Heating Oil Stocks Change			0.335M
11:00AM	Nov/08 Crude Oil Inventory (ml)			2.149M
11:00AM	Nov/08 EIA Gasoline Production Change			0.013M
11:00AM	Nov/08 EIA Gasoline Stocks Change			0.412M
11:30AM	8-Week Bill Auction			4.490%
11:30AM	4-Week Bill Auction			4.515%
12:00PM	Nov/13 30-Year Mortgage Rate			6.79%
12:00PM	Nov/13 15-Year Mortgage Rate			6%
3:00PM	Fed Chair Powell Speech ☆			
4:15PM	Fed Williams Speech ☆			
4:30PM	Nov/13 Central Bank Balance Sheet			\$6.99T

## Recent Housing News

- Mortgage Demand Regressing Amid Rapid Rate Spike
- Existing Home Sales Update: Still Bad
- Mortgage Apps Aren't Crashing. They're Just Being Logical

## Read My Latest Newsletter

## How The Election and The Fed Impacted Rates

Mortgage rates spent the entire month of October moving higher at a fairly quick pace. Some of that had to do with stronger economic data, but at least as much had to do with the bond market (bonds dictate rates) adjusting to election probabilities. As we've been advising in recent weeks, the consensus was that a Trump victory (or improved odds thereof) was associated with upward pressure on rates...

## Mortgage Calculators

- 📊 Mortgage Payment w Amortization
- 📊 Loan Comparison
- 📊 Advanced Loan Comparison
- 📊 Early Payoff
- 📊 Should I Refinance?
- 📊 Rent vs. Buy
- 📊 Blended Rate